MARINE CORPS INSTALLATIONS EAST CONTRACTING OFFICE

PROCUREMENT TRAINING

Mission Statement

MARINE CORPS INSTALLATIONS EAST CONTRIBUTES TO MARINE CORPS WAR FIGHTING EXCELLENCE BY: (1) PROVIDING TIMELY, INNOVATIVE AND EFFECTIVE PROCUREMENT SUPPORT FOR ALL CUSTOMERS; AND (2) TRAINING AND MENTORING MILITARY PROCUREMENT SPECIALIST TO CREATE ACCOMPLISHED, INDEPENDENT THINKING PROFESSIOALS

Purpose

 The purpose of this training is to help our customers understand the procurement process in order to reduce the frequency of purchase request disapprovals, and better define requirements to allow maximum competition and best value while meeting mission needs.

Overview

- Competition Requirements
- Office of Small Business Programs
- Identifying the Requirement
- Sources of Supply
- Market Research
- Defining the Requirement
- IGCE/IGE
- Waivers
- PR Builder
- Crossing Fiscal Years
- Procurement Ethics
- Fiscal Year Cutoffs
- II MEF Operational Contract Support

Competition Requirements

Title 10 U.S.C. 2304 and 41 U.S.C. 3301 FAR Part 6, Part 11, and Part 13

- Require (with certain limited exceptions)
 that KOs shall promote and provide for
 full and open competition in soliciting
 offers and awarding Government
 Contracts.
- KOs shall use the competitive procedures best suited to the circumstances, and consistent with the need to fulfill the Government's requirements efficiently.

WHAT THIS MEANS TO YOU

Requirements shall not be written for a particular:

- Brand Name
- Product
- Feature of a product peculiar to one manufacturer

Activity should emphasize what is necessary:

- Functional characteristics to be performed
- Performance characteristics required
- Essential physical characteristics

EXCEPTIONS TO COMPETITION

Exceptions must be in writing, made publicly available, and meet the statutory authority of:

- Only One Responsible Source
- Unusual and Compelling Urgency
- Industrial Mobilization; Engineering,
 Development, or Research Capability; or Expert Service
- International Agreement
- Authorized or Required by Statute
- National Security
- Public Interest

EFFECTS ON ACQUISITION TIME

Limiting competition does not speed up the acquisition process, and may cause delays:

- Justification w/ Sufficient Facts & Rationale
- Sources Sought/Request for Information
- Contracting Officer Approval
- Small Business Approval
- Competition Advocate Approval
- Legal Review
- Posting Requirement
- Increased Possibility of Protest

Office of Small Business Programs

Mr. Jo Rozier 910-451-8424

Identifying the the Requirement

First Step in the Acquisition Process

Identify the Requirement by answering:

- Who needs it (customer)?
- What is being requested?
- Where will it be utilized?
- When is it needed?
- Why do you need the item?
- How does it hinder the units mission?

Sources of Supply

FAR Part 8 MAPS Part 8

Priorities for Use of Mandatory Sources:

- Inventories of the Requiring Agency
- Excess from other Agencies
- Federal Prison Industries, Inc.
- Procurement List for Committee for Purchase from People Who are Blind or Severely Disabled
- Wholesale Supply Sources (GSA, DLA, VA, Military Inventory Control Points)
- Coordinated Acquisition Program/Integrated Materiel Management Program

Market Research

Why Conduct Market Research

- Reveal Options for Best Practices
- Identify if Commercial Products and Technologies Could Meet the Government's Requirement
- Are Alternative Products and Technologies Available
- Assess the Competitiveness of the Market
- Current Market Price and Availability
- Identify Commercial Practices
- Identify Possible Socioeconomic Opportunities
- Identify the Size and Status of Potential Vendors
- Types of Interested Organizations

Market Research Methods

- Contacting Knowledgeable Individuals
 - Market
 - Government
- Review Recent Market Research
- Querying Government Databases
- On-Line Websites that Provide Supplies and Services
- Acquisition Personnel
- Other Customers
- Review Catalogs

Defining the Requirement

Types of Requirements

Supply:

 A requirement for the procurement of an end item of supply; usually items or materials.

Service:

 A requirement that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.

Supply Requirement

Contract Line Item

 This is the item requested, and will be stated as a complete item.

Contract Line Item Description

 This is the functional, performance, and physical characteristics of the item requested.

Service Requirement

Contract Line Item

This is the service to be performed.

Performance Work Statement (Preferred)

- Scope
 - Breadth and Limitations of Work to be Done
- Applicable Documents
 - Military Handbooks, Regulations, Technical Orders
- Tasks to be Performed (<u>NOT HOW</u>)
 - Cleary-Defined Contract Goals/Measureable Standards
 - Clearly Established Deliverables/Reporting Requirements
- Quality Assurance Surveillance Plan
 - Survey, Observe, Sample, Test, Evaluate, Document

Service Requirement Continued

Statement of Work (When a PWS Won't Work)

- Scope
 - Statement About What the SOW Covers
- Applicable Documents
 - Military Handbooks, Regulations, Technical Orders
- Tasks to be Performed
 - State Required Outcome and <u>HOW</u> to Accomplish Desired Results
 - Align Requirements w/ Objectives to Follow the Correct Specification when Satisfying Objectives

Brand Name or Equal

While the use of performance specifications is preferred, the use of brand name or equal purchase descriptions may be advantageous when the salient characteristics are firm requirements.

Purchase Request Must Include:

- A Brand Name Justification
- Brand Name, Model # and Manufacturer Part #
- Description of those salient physical, functional, or performance characteristics of the brand name item that an "equal" item must meet to be acceptable for award.

Sole Source

Supplies and services may be considered to be available from only one source if one of the following examples is met:

- The brand name product or feature is essential, and market research indicates that other similar products lack the feature, do not meet, or cannot be modified to meet the agency's need.
- Award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition or unacceptable delays in fulfilling the requirement.

Sole Source Requirement

Purchase Request Must Include:

- A Sole Source Justification
- Brand Name, Model # and Manufacturer Part
 #
- Performance Work Statement (Services)
- Independent Government Cost Estimate

Independent Government Cost Estimate

What is an IGE/IGCE?

- Estimate of the resources and cost of those resources that would be incurred in the performance of the contract.
- It may be a complex breakdown, or a single item cost estimate.
- Should be tied to current market research.
- Must be Current, Valid, and Reliable.

Why is a IGE/IGCE required?

- Used to Evaluate Proposals
- Ensure Contractor Understands the Requirement
- Determine Pre-Negotiation Objectives
- Indicator of the Resources Required
- Help Determine Fair and Reasonable Pricing
- It is Required by Acquisition Regulations

Documenting the IGE/IGCE

- IGE/IGCE Should <u>not</u> be Shared with Contractors/Vendors
- There is no specific format for Government estimates. (Templates are Available)
- Documentation submitted should answer:
 - How the IGE/IGCE was Developed
 - What Assumptions were Made
 - What Information and Tools were Used
 - Where the Information was Obtained and How Current it is

Waivers

Why and Who is Responsible?

- Waivers are required due to statutory and regulatory requirements, and may provide detailed guidance on the procedures that must be followed when procuring an item or service.
- It is the activity's responsibility to identify, submit for, and receive all required waivers prior to submitting a PR to Contracting.

Most Common Waivers

- A list of common waivers and where to submit is available on our website.
- Most Common Waivers:

 Public Works/Facility Maintenance
 Base Motor Transport
 C4I/Information Technology
 Item Material Manager/DLA

 MARCORSYSCOM
 MEDLOG

PR Builder

PR Builder and its Benefits

PR Builder is a web-based tool which makes it easy to generate, track, and process PRs and funding documents from anywhere in the world where Internet access is available.

Benefits:

- Easy to Use
- Customized Workflows (Reviews and Approvals)
- Interfaces with SABRS
- Interfaces and Populates the DoD's Standard Procurement System

What to Attach in PR Builder

- Checklists
- Waivers
- Performance Work Statement
- IGE/IGCE
- Market Research Documentation
- Quotes
- Brand Name & Sole Source Justifications
- Urgency Impact Statement (Signed by CO)

Required Delivery Date Period of Performance

This is the date that supplies must be delivered, or service must start before the Government starts to incur damages or is unable to perform mission.

RDD and Period of Performance stated on the PR must allow time to complete all acquisition requirements (PALT), manufacture, shipping, delivery or installation.

Procurement Administrative Lead Time (PALT)

The PALT measures the number of days a procurement takes from acceptance of a complete PR package by the Contracting Office to the day of award.

\$ Value	Acquisitio	<u>n</u> V	Vork Days
<\$25K	All SAP	30	
\$25K-\$15	OK Supplies	5	0
\$25K-\$15	OK Services	6	0
\$150K-\$6.5M In accordance with Acq Plan (4-6			
months)			
Any	GSA / BPA 6	50-90	

PR Priority Assignment

- Priority must be in accordance with the Uniform Movement and Issue Priority System (MCO 4400.16) Normal Derivation of Priority Designators for Requisition and Issue Transactions.
- Any Urgency of Need Designator other than Routine must include an Urgency Impact Statement (Signed by CO).

UMMIPS Priority System

Force/Activity Urgency of Need Designators

```
Routine
  Unable to
            Impaired
            Operationally
  Perform
  Mission
  In Combat 01 04 11
 Positioned to Deploy
   for Combat 02 05
III Position to Deploy 03 06 13
IV Other Activity & Select
   Reserve Forces 07 09 14
V All Other 08 10 15
```

Crossing Fiscal Years

Bona Fide Need Supplies

Generally, bona fide need is determined by when the government actually requires (i.e., will be able to use) the supplies being acquired.

- Lead-Time Exception
 - Permitted to Consider Normal Production Lead Times
- Stock Level Exception
 - Replacement of Stock Consumed in the Current FY

Bona Fide Need Services

Generally, services are a bona fide need of the fiscal year in which the services are performed. Thus service contracts have not normally been permitted to cover a period which involves two different fiscal years.

- Nonseverable Services Exception
- Statutory Exceptions (For Severable Services)

Nonseverable Services Exception

If the services produce a single or unified outcome, product or report, the services are nonseverable and the government may fund the entire effort with dollars available for obligation at the time the contract is awarded, and the contract execution may cross fiscal years.

 Essentially a single undertaking that cannot feasibly be subdivided for separate performance in each fiscal year.

Severable Services

 Services that are continuing and recurring in nature and provide the Department a benefit each time the service is performed.

- Statutory Exceptions:
 - Title 10 U.S.C. section 2410a
 - Title 41 U.S.C. section 3902
 - FAR Part 32.703-3

Statutory Exception

Authorized DoD agencies may obligate funds available at the time of contract award to finance a severable service contract with a period of performance not to exceed 12 months.

- This helps avoid funding issues, and gaps in service due to contracts starting/ending on the FY.
- This provides greater flexibility and allows better distribution of workload across the year for contracting offices.

Procurement Ethics

The Rule

Government business shall be conducted in a manner above reproach and, except as authorized by statue or regulation, with complete impartiality and with preferential treatment for none.

Dealing with a Vendor

Remember:

- You do not have the authority to commit the Government financially in any way.
 Make this clear to the vendor.
- Your are not a Contracting Officer, you do not have the authority to initiate or modify contracts.
- You are responsible for your actions.
 - Criminal and Civil Penalties Apply

What Not to Do

- Disclose bid proposal or source selection information
- Obtain bid proposal or source selection information (Need to Know)
- Accept compensation from certain contractors after leaving Federal employment
- Discus non-Federal employment with certain bidders or offerors
- Accept gifts in return for being influenced in the performance of official acts

Penalties for Disclosing

• Criminal:

- Five years in prison, or a fine, or both.

Civil Penalties:

- Each knowing violation: up to \$50,000 per violation and administrative actions.
- Up to \$50,000 per violation plus twice the amount of compensation an <u>individual</u> received/offered.
- Up to \$500,000 per violation plus twice the amount of compensation an <u>organization</u> received/offered.

Actions to Take

- Act Impartially and don't give preferential treatment to any organization or individual.
- Do not engage in financial transactions using nonpublic information or allow improper use.
- Avoid any actions that create the appearance of violating the law or the ethics regulations.
- Seek legal counsel when in doubt.

Fiscal Year Cutoff

MCIEAST CONTRACTING FY15 GUIDANCE

DTG: 011215Z Oct 14

PROCUREMENT CUT-OFF DATE NOTE

```
>$1,000,000 03 APR 15

$150,000 - $1,000,00001 MAY 15 SVC $150,000 -

$1,000,000 10 JUL 15 SUP

$3,000 - $150,000 03 AUG 15

< $3,000 (GCPC) Comptrollers May Set Cutoff Dates

FY15 Task/Delivery Orders28 AUG 15
```

Economy & NonEconomy Act

ECONOMY ACT ORDERS ASSISTING ACTIVITY THRESHOLD

CUT OFF

DATE

DOD AGENCY \$2,500 TO \$5 MILLION 28 AUG 15 DOD AGENCY \$5 MILLION OR GREATER 10 JUL 15 NON DOD AGENCY \$2,500 OR GREATER 10 JUL 15

NON ECONOMY ACT ORDERS ASSISTING ACTIVITY THRESHOLD

CUT OFF

DATE

NON DOD AGENCY \$2,500 TO \$5 MILLION 10 JUL 15

NON DOD AGENCY \$5 MILLION OR GREATER 12 JUN 15

OPERATIONAL CONTRACT SUPPORT BRANCH

OCS ROLES/RESPONSIBILITIES

- Assist in Defining Requirements
- Translating Defined Requirements into Contract Documents
- Assist in Developing a General Common Operating Picture of Contract Support
- Assist in Transitioning OCS Planning Support to Expeditionary Contract Platoon Support

QUESTIONS

Points of Contact

MCIEast Contracting Office

Procurement Chief: 910-451-5182

eBusiness: 910-451-5520

Admin: 910-451-6641

Website:

http://www.mcieast.marines.mil/StaffOffices/Contracting.aspx

II MEF Operational Contracting Support Branch

Branch Head: 910-451-9642

Branch Chief: 910-451-5808